

FFS

DEFENCE ENGINEERING LTD.

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VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Our Whistle Blower Policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

I. INTRODUCTION

- (a) The Policy complies with the requirements of the vigil mechanism as envisaged by Section 177 of the Companies Act, 2013 and the rules framed thereunder (**the “Companies Act”**). Further, **Regulation 22** of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) provides for a mandatory requirement for all listed companies to establish a mechanism to report genuine concerns to the Corporation.
- (b) FFS Defence Engineering Limited (Formerly Known As FFS Defence Engineering Pvt Ltd/ FFS Industries Pvt Ltd) (**“Company”**) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- (c) The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- (d) The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors and employees wishing to raise a concern about serious irregularities within the Company.
- (e) The policy neither releases directors and employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

II. DEFINITIONS

- (a) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof)
- (b) **“Company”** means FFS Defence Engineering Limited (Formerly Known As FFS Defence Engineering Pvt Ltd/ FFS Industries Pvt Ltd)
- (c) **“Director”** means any person who has been appointed as a director on the board of the Company, whether whole-time, additional or otherwise.
- (d) **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- (e) **“Employee”** means every employee of the Company (whether working in India or abroad) including expatriates stationed in India.

- (f) **"Protected Disclosure"** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- (g) **"Subject"** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- (h) **"Whistle Blower"** is someone who makes a Protected Disclosure under this Policy.
- (i) **"Vigilance Officer" / "Vigilance Committee"** means an officer or Committee of persons who is nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

III. THE GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- (a) Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- (b) Treat victimization as a serious matter including initiating disciplinary action on such person/(s), if any;
- (c) Ensure complete confidentiality of all Employees/person(s) involved in the processes provided in this Policy;
- (d) Not attempt to conceal evidence of the Protected Disclosure;
- (e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made; and
- (f) Provide an opportunity of being heard to the persons involved especially to the Subject.

IV. COVERAGE OF POLICY

- (a) The Policy covers malpractices and events which have taken place/suspected to take place involving:
 - (i) Abuse of authority
 - (ii) Breach of contract
 - (iii) Negligence causing substantial and specific danger to public health and safety
 - (iv) Manipulation of company data/records
 - (v) Financial irregularities, including fraud, or suspected fraud
 - (vi) Criminal offence
 - (vii) Pilferation of confidential/propriety information
 - (viii) Deliberate violation of law/regulation
 - (ix) Wastage/misappropriation of company funds/assets
 - (x) Breach of employee Code of Conduct/Ethics Policy or Rules
 - (xi) Any other unethical, biased, favoured, imprudent event.

- (b) The Policy should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

V. DISQUALIFICATIONS

- (a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action by the Company.
- (b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- (c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

VI. MANNER IN WHICH CONCERN CAN BE RAISED AND INVESTIGATION

- (a) The employee may send a communication directly in writing through a letter or an email to the Whistle Blower Officer and Chairman of the Audit Committee of the Company or the Compliance Officer, FFS Defence Engineering Limited (Formerly Known As FFS Defence Engineering Pvt Ltd/ FFS Industries Pvt Ltd). An employee may also send a communication through an e-mail addressed to manoj@camanoj.in. Further, the employee may send an email to cs@ffsdefence.com

Additional modes of communication would be made available to employees and would be periodically communicated by the Compliance Officer.

- (b) Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- (c) The whistle blower must disclose his / her identity in the covering letter while forwarding such protected disclosures. No cognizance will be taken of any protected disclosure made anonymously and/or without proper signature.
- (d) Protected disclosure can be made through email complaint or written complaint. The complaint should be factual rather than speculative and must contain to the maximum extent possible, the following information: -
 - (a) The employee, and/or outside party or parties involved;
 - (b) The office/unit of the Company where it happened
 - (c) When did it happen; date or a period of time;
 - (d) Nature of concern
 - (e) Any documentary evidence or proof, if available
 - (f) Whom to contact for more information, if possible
 - (g) Any other relevant information

- (e) On receipt of the Protected Disclosure, the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- (f) The Vigilance Officer as he deems fit, may call for further information from the Whistle Blower.
- (g) The Vigilance Officer or the Chairperson of the Audit Committee, as the case may be, shall make a detailed written record of the Protected Disclosure. The record will include:
 - 1. Facts of the matter;
 - 2. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - 3. Whether any Protected Disclosure was raised previously against the same Subject;
 - 4. The financial/otherwise loss which has been incurred/would have been incurred by the Company;
 - 5. Findings; and
 - 6. The recommendations on disciplinary/other action/(s).
- (h) If an investigation leads to conclusion that an improper or unethical act has been omitted, the Vigilance Officer or the Chairperson of the Audit Committee, as the case may be, shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- (i) In the course of investigation proceedings, subjects are not allowed to leave the Company without specific written approval of the concerned CFO/ED/Chairman of Audit Committee. In case of whistle blowers, they shall be allowed to leave the Company with a specific written undertaking that they shall continue to extend necessary cooperation for conduct of investigation till required under intimation to the concerned Director.
- (j) After investigation, a written report of the findings should be prepared and the whistle blowers and subjects have a right to be informed of the outcome of the investigation.
- (k) Where the Whistle Blower is not satisfied with the outcome of the investigation by the Vigilance Officer and the decision, she /he can make an appeal to the board of directors.
- (l) The investigation shall be completed within a period of 60 days from the date of receipt of the Protected Disclosure.

VII. PROTECTION

- (a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to the Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service,

disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- (b) The identity of the Whistle Blower shall be kept confidential at all times.
- (c) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

VIII. CONFIDENTIALITY AND ANONYMITY

An employee may choose to send communication under this Policy on an anonymous basis. However, employees are encouraged to disclose their identities while raising concerns under this Policy. This will assist in obtaining additional details or evidence as may be required during the inquiry. Identity of the complainant(s) shall be treated as confidential and shall not be disclosed. This would not have any impact on the employee's performance appraisal, assignment of work or other matters related to employment with the Company.

IX. REPORTING

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

AMENDMENT

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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